

UMC

2007 Q3 Financial Review

Oct 31, 2007

NOTE CONCERNING FORWARD-LOOKING STATEMENTS

Except for statements in respect of historical matters, the statements in this release contain "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual performance, financial condition or results of operations of UMC to be materially different from what is stated or may be implied in such forward-looking statements. Investors are cautioned that actual events and results could differ materially from those statements as a result of a number of factors, including, among other things: our dependence upon the frequent introduction of new services and technologies based on the latest developments in our industry; the intensely competitive semiconductor, communications, consumer electronics and computer industries and markets; the risks associated with international global business activities; our dependence upon key personnel; general economic and political conditions, including those related to the semiconductor, communications, consumer electronics and computer industries; possible disruptions in commercial activities caused by natural and human-induced events and disasters, including terrorist activity, armed conflict and highly contagious diseases; reduced end-user purchases relative to expectations and orders; fluctuations in foreign currency exchange rates; and those risks identified in the section entitled "Risk Factors" in UMC's Annual Report on Form 20-F ("20-F") for the year ended December 31, 2006 filed with the U.S. Securities and Exchange Commission on May 9, 2007.

The financial statements included in this release are unaudited and unconsolidated, and prepared and published in accordance with ROC GAAP. Investors are cautioned that there are many differences between ROC GAAP and US GAAP, as described in note 39 to the financial statements on 20-F.

The forward-looking statements in this release reflect the current belief of UMC as of the date of this release and UMC undertakes no obligation to update these forward-looking statements for events or circumstances that occur after such date or to reflect the occurrence of unanticipated events.

Operating Results Summary

Unit: NT M

	2007	2007	2006
	Q3 / Sep	Q2 / Jun	Q3 / Sep
Net Operating Revenues	31,028	25,097	27,852
Net Income	9,233	4,911	8,592
EPS (NTD)	0.57	0.28	0.48
Cash and Cash Equivalents	76,787	77,058	83,004
Total Assets	351,859	355,554	346,678
Total Liabilities	105,210	66,009	68,620
Stockholders' Equity	246,649	289,545	278,058
Wafer Shipment (in thousands- 8" wafer eq.)	1,017	804	799
Utilization (%)	93%	76%	82%

Income Statement - QoQ

Unit: NT M

	Q3-07	%	Q2-07	%	Change %
Net Operating Revenues	31,028	100.0	25,097	100.0	23.6
Gross Profit	8,223	26.5	4,958	19.8	65.9
Operating Expenses	(3,988)	(12.9)	(3,732)	(14.9)	6.9
Operating Income (Loss)	4,235	13.6	1,226	4.9	245.4
Net Non-operating Income (Expense)	5,764	18.6	4,182	16.7	37.8
Income Tax Expense	(766)	(2.4)	(497)	(2.0)	54.1
Net Income	9,233	29.8	4,911	19.6	88.0
EPS (NTD)	0.57		0.28		
EPADS (USD)	0.088		0.043		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 32.57 was used to translate NTD to USD.
3. 16,198 million and 17,780 million shares were used in EPS calculation for Q3-07 and Q2-07, respectively.

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Income Statement - YoY: 9 Months

Unit: NT M

	2007 Jan~Sep	%	2006 Jan~Sep	%	Change %
Net Operating Revenues	79,150	100.0	77,987	100.0	1.5
Gross Profit	16,857	21.3	15,240	19.5	10.6
Operating Expenses	(11,378)	(14.4)	(10,488)	(13.4)	8.5
Operating Income (Loss)	5,479	6.9	4,752	6.1	15.3
Net Non-operating Income (Expense)	11,665	14.7	24,415	31.3	(52.2)
Income Tax Expense	(1,541)	(1.9)	(2,237)	(2.9)	(31.1)
Net Income	15,603	19.7	26,930	34.5	(42.1)
EPS (NTD)	0.93		1.48		
EPADS (USD)	0.143		0.227		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 32.57 was used to translate NTD to USD.
3. 16,714 million and 18,159 million shares were used in EPS calculation for 9 months ended September 30, 2007 and for 9 months ended September 30, 2006, respectively.

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Investment Income

Unit: NT M

	Q3-07	Q2-07
Investment income accounted for under the equity method	1,590	434
Impairment loss	-	(246)
Gain (Loss) on valuation of financial assets	(1,948)	517
Cash dividends	2,034	55
Total	1,676	760

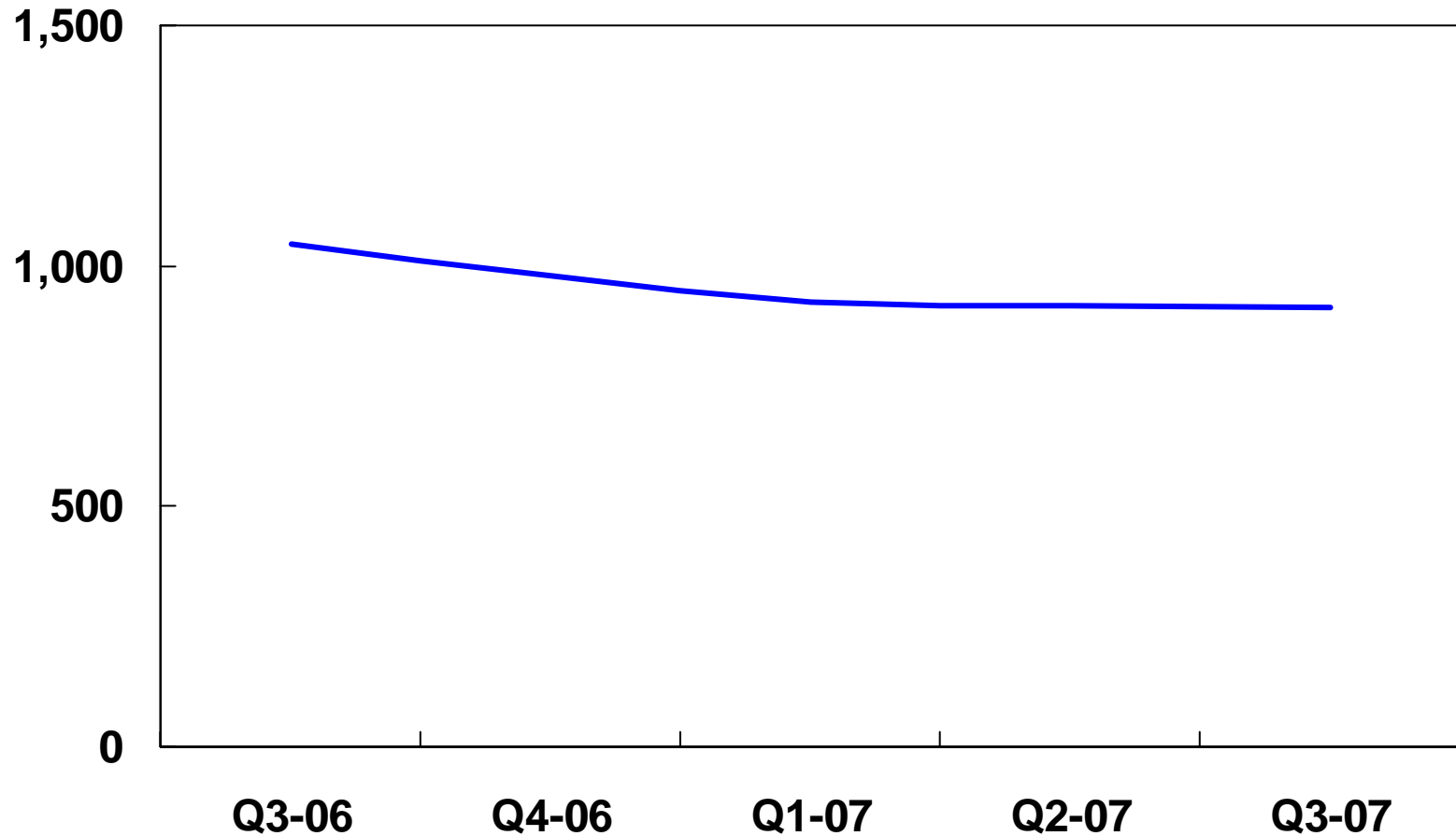
Balance Sheet Highlight - Sep. 30, 2007

Unit: NT M

Cash and Cash Equivalents	76,787
Funds and Investments	94,033
Fixed Assets	133,419
Total Assets	351,859
Current Liabilities	94,046
Long-term Debts	7,495
Stockholders' Equity	246,649
<i>Depreciation Expense (YTD)</i>	<i>27,061</i>

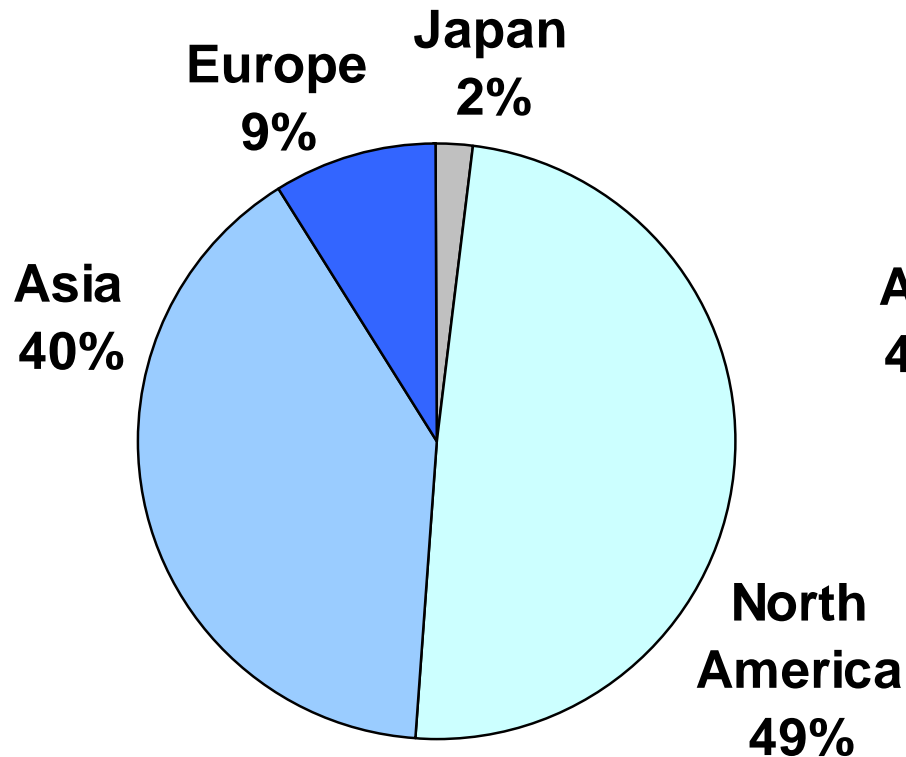
Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD

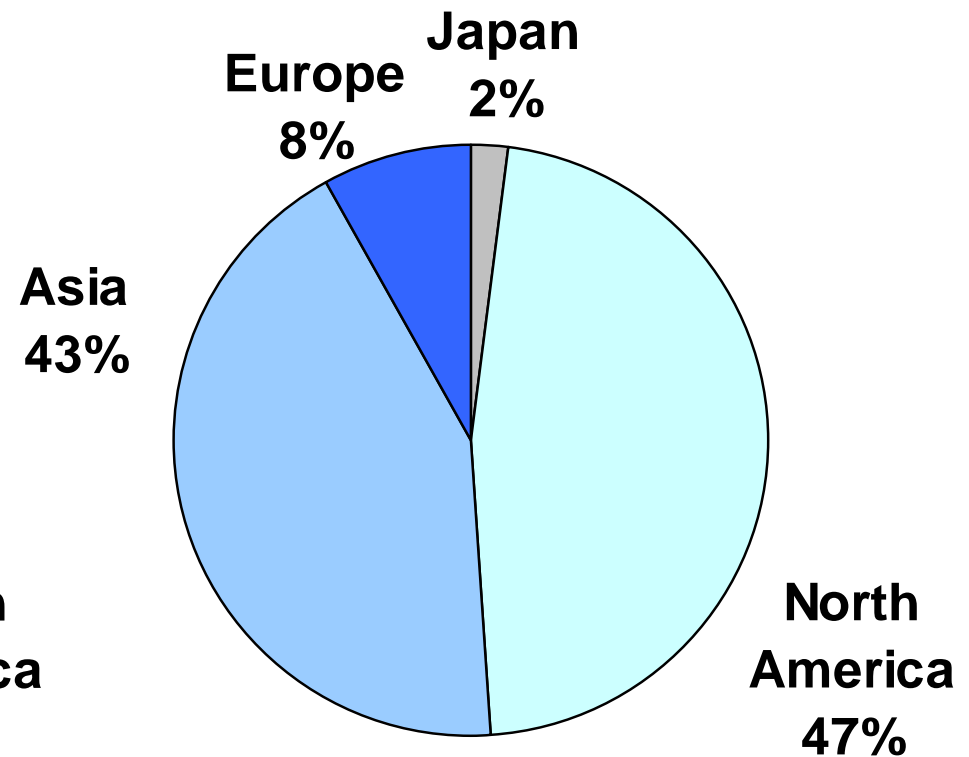


Sales Breakdown by Geography

2007 Q3

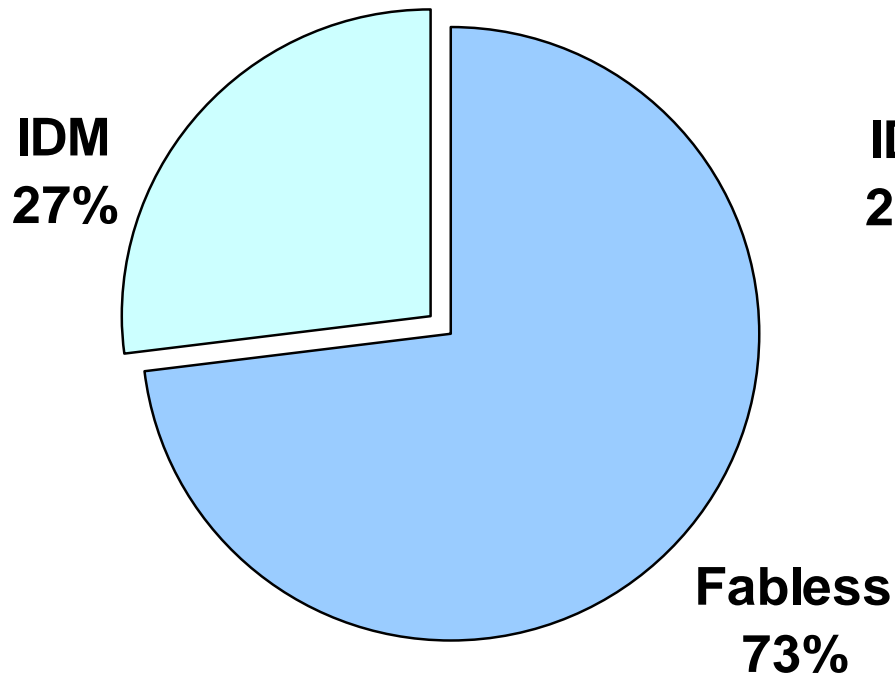


2007 Q2

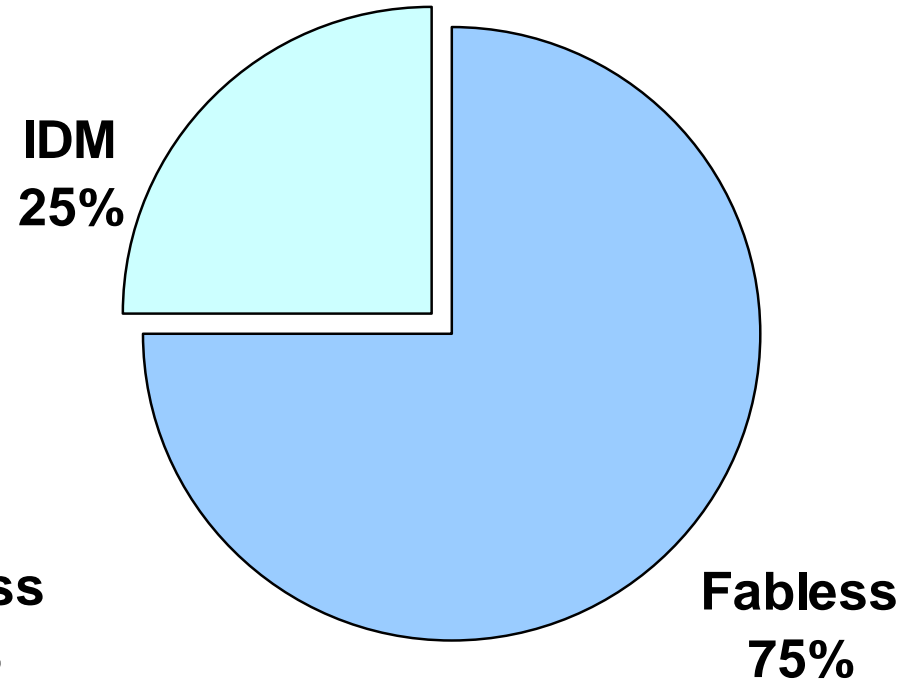


Sales Breakdown by Customer

2007 Q3

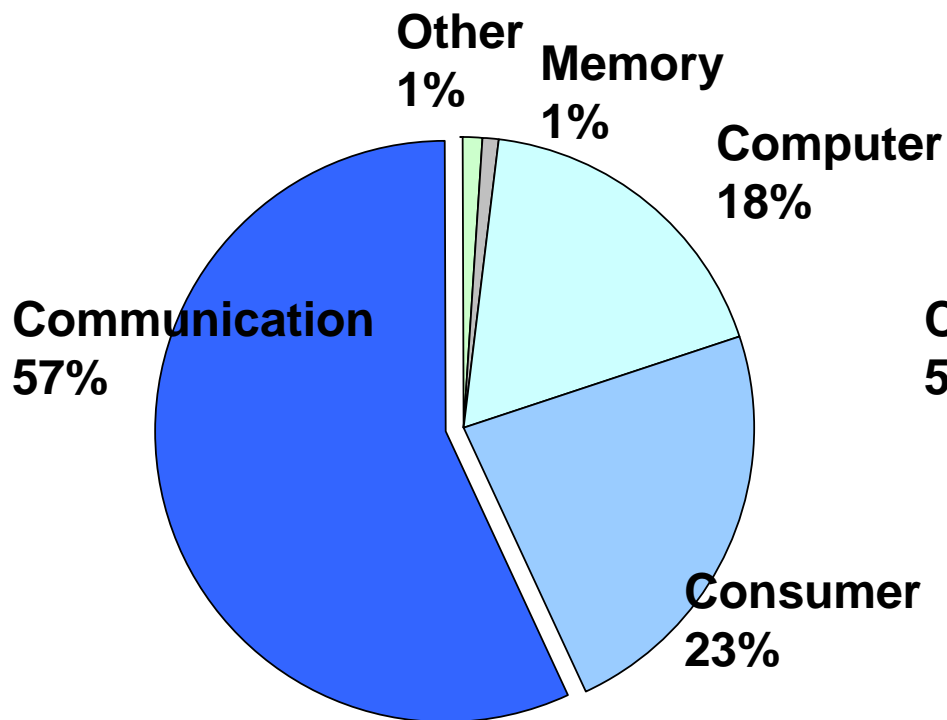


2007 Q2

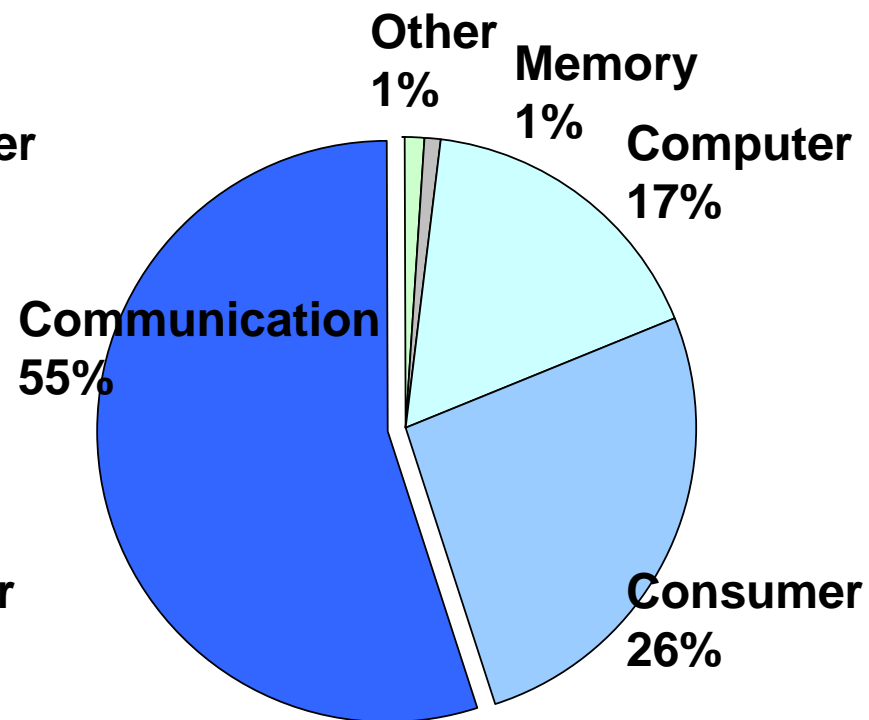


Sales Breakdown by Application

2007 Q3

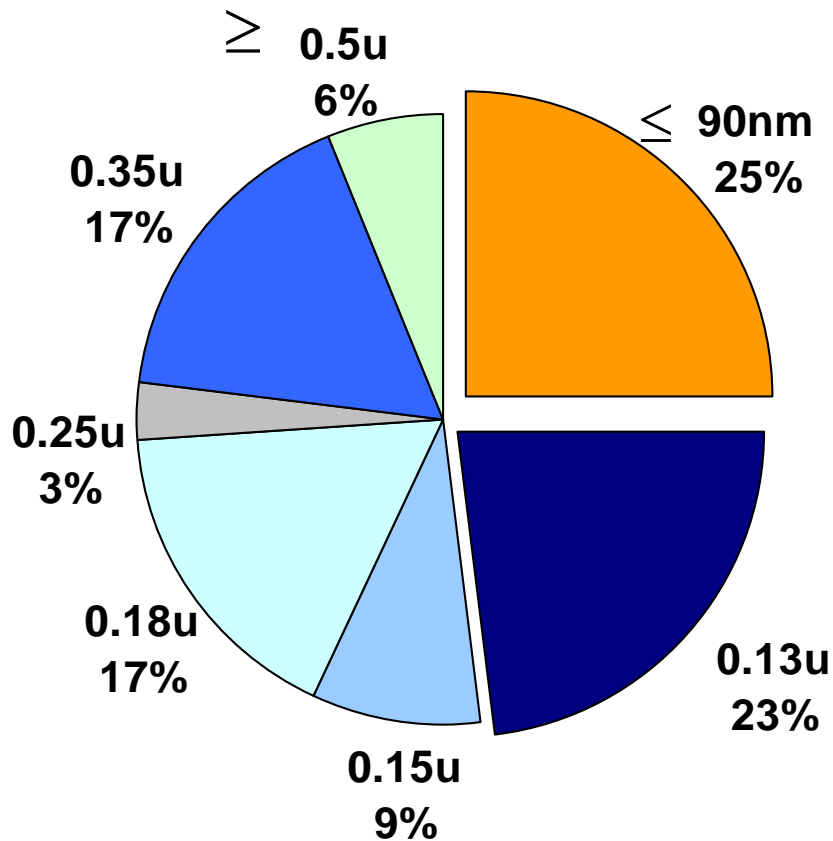


2007 Q2

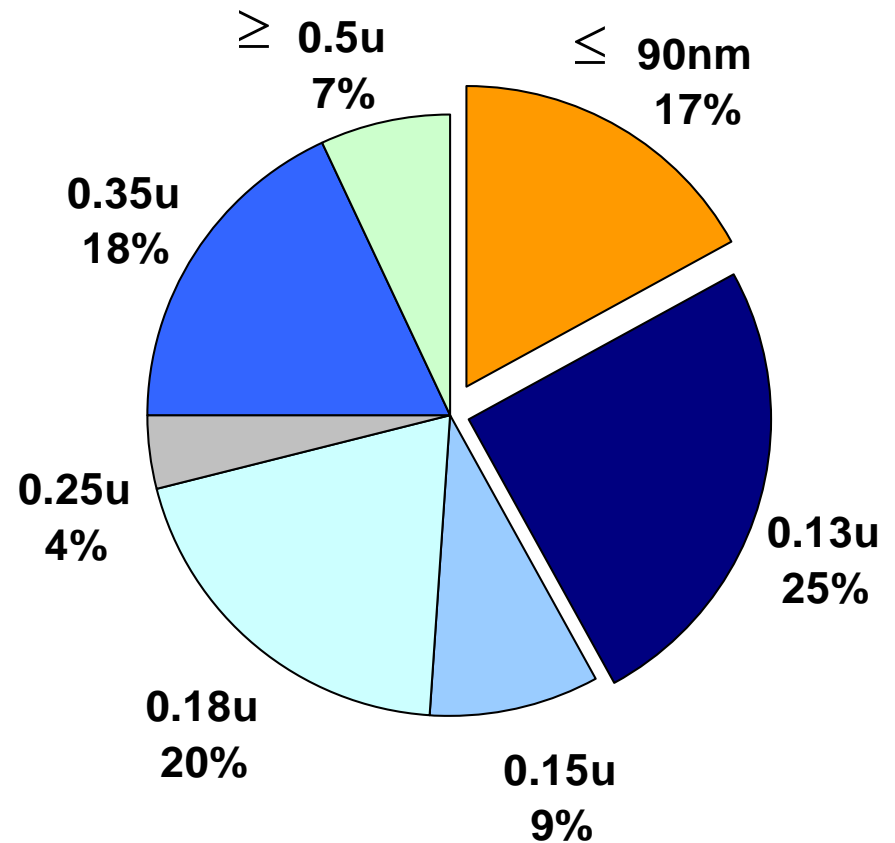


Sales Breakdown by Technology

2007 Q3



2007 Q2



Quarterly Capacity

unit: in thousands (8" wafer eq.)

FAB	1Q07	2Q07	3Q07	4Q07E
Fab 6A	82	82	82	82
Fab 8AB	204	204	204	204
Fab 8C	100	100	100	100
Fab 8D	65	65	65	65
Fab 8E	102	102	102	102
Fab 8F	93	93	93	93
Fab 8S	69	69	69	69
Fab 12A	200	215	216	216
Fab 12i	128	140	164	169
Total	1,043	1,070	1,095	1,100

2007 Capital Expenditure Plan

	8" Fab	12" Fab	12" R&D	Total
UMC	2%	80%	18%	1.0 billion USD

For more information regarding UMC
www.umc.com

For all inquiries, suggestions, and comments
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